

MONTANA STATE HOSPITAL UPDATE JUNE 2008

A Report Prepared for the
Legislative Finance Committee

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PURPOSE

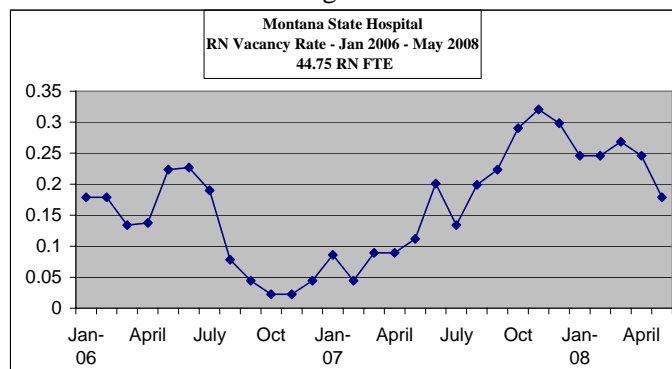
The Legislative Finance Committee (LFC) heard a report at its March 2008 meeting on challenges facing the Montana State Hospital (MSH). The LFC asked for an update on the central topics: high patient populations, nursing staff vacancies, Goal 189 to reduce the MSH population to the licensed capacity of 189, and the timeline for development of new community services authorized by the 2007 Legislature.

Registered Nurse Vacancies

There are 44.75 registered nurse (RN) FTE funded for MSH.¹ Like other hospitals, MSH has had difficulty recruiting and retaining nursing staff.²

Figure 1 shows the vacancy rates for RNs from January 2006 through May 2008. Vacancy levels have ranged from a low of 2 percent in October 2006 to a high of 32 percent in November 2007. The May 2008 vacancy rate of 18 percent is the lowest since July 2007.

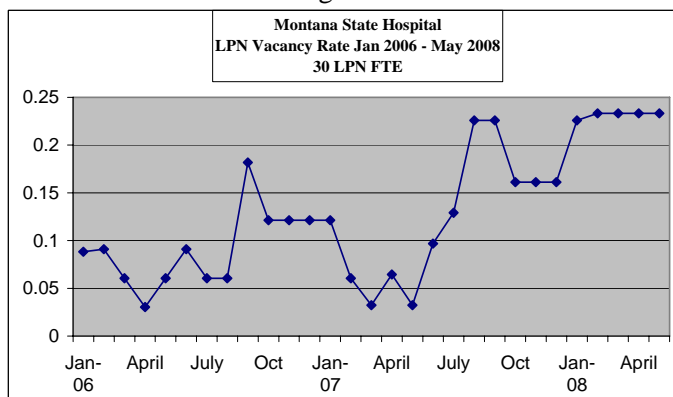
Figure 1



Licensed Practical Nurse Vacancies

Figure 2 shows the vacancy rates for licensed practical nurses (LPNs), also an area of problematic vacancies. MSH has funding to support 30.00 LPN FTE. Vacancy rates for LPNs have ranged from a low of 3 percent in May 2007 to a high of 23 percent from January 2008 through May 2008.

Figure 2



Pay Increases

As noted in the March report to the LFC, DPHHS raised pay rates for both RNs and LPNs. The pay raises appear to have helped retain current employees.

MSH Census

MSH has a licensed capacity of 189 beds and a physical capacity of 209 beds, which includes 15 group home beds in two units and 20 unlicensed beds in the Old Receiving Hospital. The MSH daily population has routinely exceeded 200

during the first eight months of FY 2008, averaging 206 as of May 26, 2008. The daily populations in the last part of May have been below 189.

¹ In December the number of RNs was reported as 42.75 FTE, 2.00 FTE fewer.

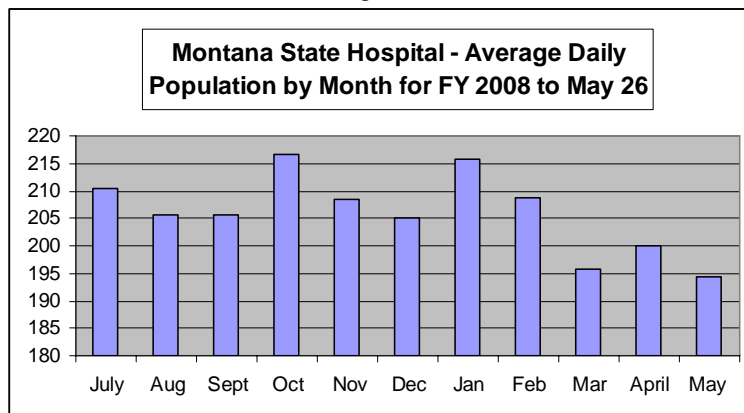
² One of the performance measures being tracked by the LFC is the goal that 90 percent of the scheduled shifts for RNs will be filled.

Goal 189

The MSH update at the March LFC meeting discussed Goal 189 to reduce the hospital population to 189. Although the year to date average daily population is still high - 206, the average monthly population over the last 3 months is lower.

Figure 3 shows the average daily population by month. There is a noticeable decline in the three months after implementation of Goal 189 – from 216 in January to 194 in March to 200 in April and 194 through May 26.

Figure 3



DPHHS staff told the LFC at its March 7 meeting that MSH population might stabilize at 189 in July 2009.³ However, that level may be reached sooner if population levels continue to decline.

DPHHS has discussed a proposed change to the MSH admissions policy to limit admission times to 8 am through 5 pm Monday through Friday, rather than the policy to admit persons as they are transported to the hospital. The potential policy change was discussed with Lewis and Clark County officials in May. At this time, it appears that the proposal has been withdrawn.

New Services to Facilitate Discharge of Persons from MSH

As part of Goal 189, AMDD has negotiated with various mental health providers to contract for certain services in order to provide community services to persons discharged from the state hospital. The total number of service slots available was reported to be 68 by the end of June.

Figure 4 shows the number of placements by service and service provider that have been made as of May 2008. AMDD anticipated that it would contract for 53 group home slots. As of the end of May 2008, 50 of the 53 group home slots had been filled. That number includes per diem payments for 28 beds at J's House, which anticipated closing in March 2008 due to financial constraints. The per diem payments maintained community services for persons who live at J's House and who could have been at risk for placement at the state hospital.

AMDD had anticipated purchasing 15 more slots in the Program for Assertive Community Treatment (PACT).⁴ AMDD had hoped to adjust staffing for PACT teams that were already serving the maximum number of participants to accommodate the additional slots. The plan was to add an additional staff member to serve more people, but that approach was not feasible.

AMDD has also paid for time limited assistance for specific individuals. The services include payment of rent, food, prescriptions, medical services, therapeutic group home, supported living, and durable medical equipment.

AMDD estimates that the total FY 2008 general fund cost will be about \$260,000 and the annualized cost to continue services would bring the FY 2009 total to \$1.3 million. The department submitted a budget request to

³ DeCunzio, AMDD, testimony, Legislative Finance Committee, March 7, 2008. Note that this is an estimated target date and that achieving that target will be influenced by implementation of 72-hour crisis stabilization services statewide and availability of BHIF services.

⁴ The PACT program provides intensive services to adults with a serious and disabling mental illness. Services are delivered by a team of professionals, with specific expertise in designated fields and a staff to client ratio based on the number of persons served. For instance, the staffing ratio must be no greater than 1 staff member to 9 persons if the team serves 65 to 80 persons.

the Office of Budget and Program Planning for \$800,000 annually to continue the services, about \$500,000 lower than FY 2009 estimated costs.

DPHHS will be able to fund the cost of Goal 189 services because Medicaid costs are lower than expected. The latest budget status report from DPHHS based on February 22 paid claims projects a general fund reversion of \$4.6 million in FY 2008.

Figure 4 Goal 189 - Placements and Estimated General Fund Cost for the 2009 Biennium						
Group Homes	Beds	Location	Service	Term	Estimated Cost	
					FY 08	FY 09
J's House*	28	Missoula	Personal Care		\$30,960	\$102,200
Center for Mental Health	8	Helena	Therapeutic Group Home	3/15/08 - 6/30/09	94,044	449,884
Center for Mental Health	8	Great Falls	Therapeutic Group Home	3/15/08 - 6/30/09	18,488	449,884
Share House - Co-occurring	6	Missoula	Therapeutic Group Home	2/4/08 - 6/30/09	70,980	284,700
Total Group Homes	50				\$214,472	\$1,286,669
<u>Individual Specialized Services</u>						
Western Montana CMHC**	1	Missoula	Therapeutic Group Home	2/19/08 - 7/31/08	\$15,334	\$3,629
Eastern Montana CMHC	1	Miles City	Room and Board, Pharmacy, DME***	3/12/08 - 1/31/09	8,900	20,300
Center for Mental Health	1	Great Falls	Housing, Food, Medical Svcs.	3/12/08 - 9/30/08	2,040	0
Western Montana CMHC	1	Missoula	Rent, Food Allowance, Pharmacy	3/18/08 - 7/1/08	5,175	13,800
Center for Mental Health	1	Helena	Rent	3/20/08 - 6/30/08	840	0
Center for Mental Health	1	Helena	Rent	3/20/08 - 6/30/08	840	0
Western Montana CMHC	1	Butte	Rent	3/11/08 - 5/31/08	2,299	0
Western Montana CMHC	1	Missoula	Rent, Food, Pharmacy	4/08/08 - 7/08/08	5,404	12,916
Montana Community Services, Inc.	1	Billings	Supported Living	4/15/08 - 6/30/08	3,232	0
Western Montana CMHC	1	Missoula	Rent, Food	5/09/08 - 8/08/08	1,634	817
Center for Mental Health	1	Great Falls	Room and Board, Pharmacy	4/08/08 - 10/07/08	1,792	2,800
Total Individual Specialized Services	11				\$47,489	\$54,262
Total Number Served and Estimated General Fund Cost	61				\$261,961	\$1,340,930
Initial Annual Budget Request for 2011 Biennium						\$800,000
Source: Bob Mullen, Deputy Administrator, Addictive and Mental Disorders Division, DPHHS, e-mail, May 30, 2008.						
*Persons served at J's House were not discharged from the state hospital. The financial support was to ensure continuation of services that allowed the persons to remain in the community.						
**CMHC is community mental health center.						
***DME is durable medical equipment.						

Community Service Expansions

The 2007 Legislature provided funds for several mental health community service expansions. All of those were reviewed with the LFC at the March meeting. This update will discuss new information only.

72 Hour Crisis Stabilization Services

The crisis stabilization pilot programs are operating in Helena, Butte, Missoula, Bozeman, Billings, Hamilton, and Miles City. While AMDD anticipated adding additional sites July 1, developing the infrastructure to support the program has been challenging. Both the eligibility and claims payment systems are old and adapting them to support the crisis stabilization services has been more complicated than expected.⁵

AMDD hopes to add more sites in early FY 2009. Although the sites have not been formally identified, Kalispell and Great Falls would be likely candidates because of they are population centers.⁶

⁵ Lou Thompson, Bureau Chief, Adult Mental Services, AMDD, personal conversation, June 2, 2008.

⁶ Ibid.

The telepsychiatry component of the stabilization services was anticipated to be on line by July 1. However, the state hospital has not been able to hire the additional psychiatrists needed to operate the service from the hospital. It is difficult to determine whether the telepsychiatry piece can be implemented since the firms that responded to the request for information in December did not have the necessary capability to provide services 24-7.

FUTURE ACTION

The LFC will receive another update on nursing and population issues at MSH, the status of Goal 189 services, and information on the development of the new mental health community services at its October 2008 meeting.

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